2. *Classification of Receipts and Payments and Objection Slips.*—The number of misclassification in the treasury accounts and the retrenchment slips increased from 145 to 2,208 in 1937-38 to 156 and 2,262, respectively, during the year under report, thus indicating a further set back in improvement as compared with the previous year. It is hoped that greater care will be exercised and misclassifications minimised, if not avoided altogether.

3. *Irregularities in Payments.*—Of the irregularities noticed, 11 cases related to excess or double payments, 19 cases of payments without pre-audit and 18 other cases of noticeable errors. These cases disclose lack of care and call for severe disciplinary action against the officials responsible. It is noted however that in the more serious instances necessary action has been taken.

4. *Inspections.*—Three District Treasuries and nine Taluk Treasuries were inspected by the officers of the Audit Department and all the District Treasuries and majority of the Taluk Treasuries were inspected by the Deputy Commissioners concerned.

B. T. KESAVIENGAR,
Chief Secretary to Government.

LAW SECRETARIAT.

Permits the Village Panchayets to spend up to Rs. 25 for repairs of School Buildings belonging to them.

READ—

Development Secretary's letter No. L. 6484—V. P. 43-33-4, dated 21st March 1935, directing that as the development of education is a discretionary duty of the Village Panchayets and as there are many other demands on the funds of the Panchayets for purposes connected with their primary and obligatory duties, it is not considered advisable to divert these funds for educational purposes such as the construction of, and repairs to, primary school buildings and teachers' quarters save in very exceptional circumstances.

2. Government Order No. L. 3323-42—V. P. 28-36-1, dated 6th November 1936, directing that in very exceptional cases, where there is need for a school building and the Village Panchayets have enough funds to spare for the purpose, after providing for sanitation and other primary needs, which are the first charge on its finances, the utilisation of the funds of the Village Panchayets for construction of school buildings may be allowed with the special sanction of Government.

ORDER NO. L. 6219-30—V. P. 20-39-1, DATED BANGALORE, THE 9—13TH JANUARY 1940.

In partial modification of the orders read above, so far as they relate to repairs, Government are pleased to direct that in regard to school buildings which are the property of the Village Panchayets, the latter may be permitted to spend up to Rs. 25 each time for the repairs of such buildings.

C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

ELECTRICAL SECRETARIAT.

Administration Report of the Electrical Department for the year 1938-39.

READ—

Correspondence ending with letter No. E. D. S. 1295, dated the 29th November 1939, in regard to the Administration Report on the Working of the Electrical Department for the year 1938-39.

ORDER NO. E. D. S. 1706-60, DATED BANGALORE, THE 22ND JANUARY 1940.

Demand, Collection and Balance.—The gross demand for the year was Rs. 78,02,705 including the previous arrears of Rs. 7,06,184. Against the budget estimate of Rs. 70,00,000 under "Receipts" and the revised one of Rs. 71,11,300,